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*Ring out the old, ring in the new.
Ring, happy bells, across the snow:
The year is going, let him go;
Ring out the false, ring in the true*

--Lord Alfred Tennyson

***Happy Holidays from the
South Dakota Real Estate Commission***



A Letter From the Chairman

Happy Holidays! It is hard to believe that 2007 is almost over, and as I write this column for the newsletter I find that I am a week away from Christmas and a week past my "due" date to have this column into the SDREC office. I am surprised my phone is not ringing off the hook and my e-mail box full of messages "reminding" me that the newsletter needs to get to the printer (and from my wife "reminding" me that I need to get some shopping done).

Speaking of reminders, please get your renewals in ASAP if you have not done so already. I know that the commission office is working frantically to process them, so let's start the new year with the renewals done.

2007 has been an interesting year with the fallout of the subprime mortgage market resulting in mortgage companies and banks taking billion dollar write-offs and foreclosure numbers on the rise throughout the U.S. Topping it all off is the decline in market values of homes – luckily I do not think that South Dakota will see such drastic declinations as other states and cities, but I am sure in many areas current home values will not change much.

Changes in the real estate lending field are coming, if not here already, as a result of these mortgage and foreclosure numbers. If any of you had a lender that utilized any stated or no verification programs, they will be hard to come by in 2008 as borrower's credit and income is being looked at closer. Additionally, appraisals that may have older comparables or those that may have too large of adjustments are being scrutinized more thoroughly by mortgage underwriters. Take note of this as you are listing properties and find yourself in a position where the seller's proceeds from the sale will not cover the payoff and expenses of selling a home. I recently read an article where the Federal Reserve is proposing changes in lending practices

- "The Fed also would prohibit a broker or other company from coercing or encouraging an appraiser to misrepresent the value of a home."(MSNBC.com – AP – 12/18/2007). I think if there is one lesson learned during the past year that will be carried into the future is accountability of those involved in a real estate transaction (including bankers, brokers, appraisers, underwriters, etc).

To end on a good note, I hope that you all had a good 2007 and are ready for an interesting 2008. Remember, if there is anything that you would like to see from the Commission regarding education, enforcement, changes, etc, please let us know.

From my family and the SDREC staff and their families, Merry Christmas and Happy New Year.

Sincerely,
Brian



From the Director's Desk

The end of another year is nearing which means time is closing in on those who have not met their renewal and/or E & O requirements. Remember, if on January 1st, you look at your license being displayed and it shows an expiration date of December 31, 2007, you cannot engage in the practice of real estate. If you are a responsible broker, your associates cannot practice either. To those of you who met all your requirements by November 30th, thank you! I would also like to commend Norma, Karen and Michelle for their exemplary team effort in processing the license and E & O renewals.

Congratulations to Compliance Officer Angela Madsen who gave birth to Andrew James on November 7th. Angela

will be back on duty after the first of the year.

It has come to my attention that associates are removing their licenses without a proper written request from the new responsible broker and a release from the current responsible broker. These unauthorized removals have also been occurring with property managers and residential rental agents. If a change of association is not reported to the Commission within 10 days after removal, the transferring licensee is considered to be on inactive status. The "Change of Address/Association" form is available from the Commission's website at www.state.sd.us/sdrec.

Another form available from the Commission's website is the "Trust Account Reconciliation" worksheet, as well as the "Trust Account Guidelines" brochures for brokers and property managers. Commission staff has reported deficiencies regarding trust accounting practices. The responsible broker or property manager is ultimately accountable to the Commission for proper and compliant trust account reconciliations. If you are delegating this duty, please make sure your trust account reconciliations are being completed correctly and that your individual ledgers, check register and bank statement balance on a monthly basis.

Those of you who use your broker or broker associate license to appraise real estate, be sure to adhere to the Uniform Standards of Professional Appraisal Standards (USPAP). If a mortgage lender is requesting your services, please have the lender signify in writing if the request is for a BPO (broker price opinion) or an appraisal.

The best Christmas gift of all is being surrounded by family and friends. I wish that gift to all of you and let's keep in our thoughts those that can't be together with their families this holiday season.



Disciplinary Action

The following disciplinary action was reported in the April/May 2007 Real Estate View. The decision was appealed and was recently affirmed by the SD Circuit Court.

Darrell Leamy, Sioux Falls, Broker

Findings of Fact, Conclusions of Law, and Order. Revocation of license, monetary penalty of \$2500 and costs of \$1823.95. Violation of SDCL 36-21A-71(3), (15), (31), (32). Mr. Leamy's actions constitute unprofessional conduct in several ways. Mr. Leamy made many substantial and willful misrepresentations to the Complainant regarding a franchise fee and converted a check to his own use. He further made substantial and willful misrepresentations with reference to the transaction which was injurious to the parties. Mr. Leamy's conduct constitutes dishonesty and fraudulent conduct, including the forgery of a check. Mr. Leamy failed to deal fairly with all of the parties to the transaction by forging a check and converting the check to his own use. His actions constitute bad faith, incompetency and fraudulent dealings in the forgery and conversion of a referral check.

Licensees Placed on Inactive Status

The Commission office still has several licensees who have not met the requirements in order to keep their licenses on active status for 2008.

If you recently renewed your license but have not yet met the continuing education requirements – your license is INACTIVE. SDCL 31-21A-62 requires that proof of continuing education must be submitted to the Commission office. Proof of completion must be on file with the Commission office in order for continuing education credit to be granted and the license renewed.

This also applies to Errors & Omission Insurance. Proof of coverage or enrollment in the group policy for the 2008 calendar year must be on file with the Commission office by December 31. If it is not, those licensees will be placed on INACTIVE status.

If the responsible broker has not met these requirements, not only will his/her

license be inactive, but also ALL of the associates in the office as well.

Conducting business with an inactive license is a violation of license law which may result in disciplinary action. The Commission office is currently notifying all responsible brokers who have associates that are not in compliance with the license laws.

If you have any questions regarding the status of your license, contact the Commission office at (605) 773-3600.

New Licensees

The SDREC would like to welcome the following new licensees.

Auctioneer

Hahn, Richard T – Crooks

Broker

Arndt, Amy L – Sioux Falls
Bornitz, Michael D – Sioux Falls
Deville, Gary T – Chesterfield, MO
Johnston, Leanne M – Wilsonville, OR
Strautz, Steven C – Marshall, MN
Thompson, Rebecca L – Marshall, MN

Broker Associate

Aadalen, Luke D – Rapid City
Baker, Brent E – Sioux Falls
Boe, Robert J – Sioux Falls
Butt, Sherry J – Rapid City
Crompton, Debra – Pierre
Garcia-Ohlfs, Denise N – Box Elder
Garness, Gregory W – Yankton
Goodsell, Janice M – Spearfish
Hahn, Richard T – Crooks
Kocmick Burden, Kimberly A –
Sioux Falls

Payne, William M – Yankton
Quillen, Ronald L – Rapid City
Sigel, Randy E – Black Hawk
Smith, Heather A – Aberdeen
Spinks, Craig – Gresham, OR
Veentjer, Joshua – Portland, OR
Weishaar, Nicole J – Belle Fourche

Property Manager

Brenneman, David S – Black Hawk
Carlson, Danielle – Rapid City

Registered Home Inspector

Dubbelde, Jean A – Custer

Residential Rental Agent

Bertsch, Amy A – Yankton
Biggar, Jodi L – Brookings
Hanson, Sheri A – Sioux Falls

Sheehan, Jason R – Sioux Falls
Sheridan, Vanessa A – Sioux Falls
VanBockern, Tamara D – Canton
Westhoff, Julie L – Tea

Salesperson

Halstead, Carol L – Sioux City, IA
Levich, Jameley A – Sioux City, IA
Ott, Michele K – Lawton, IA
Roetman, Ryan R – Dakota City, IA
Steensland, DeAnn M – Rochester, MN
Swanson, Kevin L – Ivanhoe, MN
Vaca de Salcido, Alma D – S. Sioux
City, NE
VonHoltum, James L – Lismore, MN
Wyatt, Brandi – Vermillion

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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

FTC Issues Mortgage Ad Warnings, Consumer Alert

The U.S. Federal Trade Commission has sent over 200 letters to mortgage brokers, lenders and their media outlets, warning that certain advertisements may violate federal law. The letters assert that the mortgage ads are potentially deceptive or may violate the federal Truth-In-Lending Act. The ads, including some in Spanish, offer very low monthly payment amounts or interest rates without adequate disclosure of other important loan terms. Some fail to adequately disclose that the advertised rate is a “payment rate” that applies only during the loan’s initial period, not the actual loan interest rate. Others advertise payment rates or simple interest rates without disclosing the loan’s actual Annual Percentage Rate (APR). The warning letters also target ads that fail to adequately disclose repayment terms, including potential payment increases and final balloon payments. The FTC has also issued a consumer alert entitled *Deceptive Mortgage Ads: What They Say; What They Leave Out*. The publication identifies common advertising buzz terms and phrases and advises consumers about the issues that need to be considered in responding to such advertising. The alert publication is available at www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt023.shtm



In Memoriam

The SD Real Estate Commission extends its sincerest sympathy to the families and friends of the following licensee who recently passed away:

Inez Brendmoen, Waubay
Richard Janssen, LeMars, IA
Marshall Likness, Watertown

New FTC Publication Advises Consumers What to Do if Mortgage Lender Closes or Files for Bankruptcy

A new Facts for Consumers publication issued by the Federal Trade Commission advises consumers what to do if their mortgage company or mortgage servicing company closes or files for bankruptcy. “How to Manage Your Mortgage If Your Lender Closes or Files for Bankruptcy” has several situation-based tips for consumers related to servicing transfers, escrow accounts, and payment disputes.

Copies of the document mentioned in this release are available from the FTC’s Web site at www.ftc.gov and from the FTC’s Consumer Response Center, Room 130 600 Pennsylvania Ave., N.W., Washington DC 20580. Call toll-free: 1-877-FTC-HELP.

Continuing Education Corner

By Karen Callahan, Education Director

In a recent nation-wide Harris Poll® of adults, 23 professions were measured in terms of “prestige”. The list includes such occupations as firefighters, doctors, union leaders, athletes, entertainers, bankers, and journalists. Of the professions measured in the survey, the one that ranked at the bottom of the list of great prestige was real estate agent.

“Prestige” is defined as “the level of respect at which one is regarded by others” (www.freedictionary.com). In other words, most of the people polled viewed actors and entertainers with higher esteem than real estate brokers.

No disrespect to entertainers, but it is quite disconcerting that the public has this perception of the people that help them determine where they will live – one of the biggest decisions of their lives.

So what needs to happen in order for consumers to understand the importance of the real estate profession?

Education – and lots of it!

However, it’s not enough that real estate licensees be educated. The clients and general public must be as well for the profession to be viewed in a higher standing.

At a time where it is impossible to escape the news stories about the subprime mortgage situation, illegal flipping schemes and overall decline in home sales, it is more important than ever that the public have a thorough understanding of the real estate transactions into which they may be about to enter.

As the new year begins and the hours spent sitting in continuing education classes tick away, look at the course material from the perspective of having to explain that information to the public.

How much knowledge a licensee may have of purchase agreements, earnest money, agency, disclosure, etc. is only half of the big picture and doesn’t mean much if the client feels confused or uninformed.

When presenting clients with the necessary forms/agreements, use examples to explain what will happen if the terms of the agreements are met or not met. Ask them questions to ascertain whether they understand what has been explained. Not only will the client make better decisions, it may avoid a complaint being filed with the Commission office in the event a transaction does not go as planned.

Incidentally, the professions that ranked at the top of the list as having great prestige were firefighters, scientists and teachers. Let’s ensure the public understands that when their real estate professional puts out a few fires, researches and analyzes all of the pertinent data and instructs them to make the best decisions possible, they are getting the benefit of having these prestigious professions all rolled up into one real estate licensee.



Government Websites – A Top 10 List

There are many government agencies that have legal authority over various aspects of real estate transactions. These agencies offer a wealth of information for real estate licensees and consumers. Here is a top-ten list of favorites!

10. www.epa.gov - Environmental Protection Agency. This website features information regarding such environmental issues like lead-based paint, radon gas and mold.

9. www.sdsos.gov – South Dakota Secretary of State. Business service information such as corporation registration and doing business under fictitious names can be found at the Secretary of State website.

8. www.legis.state.sd.us – SD Legislative Research Council. In addition to information about the SD Legislature, this website offers a text search of all codified laws and administrative rules in SD.

7. www.ftc.gov/realestate - This is the real estate section of the Federal Trade Commission's website. The FTC issues consumer alerts and publications such as the information listed on page 4 of this newsletter.

6. www.state.sd.us/attorney - The Office of the SD Attorney General oversees the Division of Consumer Protection, the Sex Offender Registry, the Division of Criminal Investigation and much more! Their Consumer Handbook offers excellent information regarding landlord/tenant issues.

5. www.sdhda.org – The South Dakota Housing Development Authority. Downpayment assistance programs, First-time homebuyers information, affordable housing – it's all at this website!

4. www.hud.gov – The U.S. Dept. of Housing and Urban Development. All federal housing information is available such as fair housing, RESPA, and public housing issues. This website features excellent information for homeowners facing foreclosure. HUD offers information not only to

consumers, but real estate licensees as well.

3. www.hud.gov/southdakota - HUD, only specific to South Dakota! Local news and links to the quarterly SD HUD Newsletter.

2. www.state.sd.us/drr - This is the general website for the SD Dept. of Revenue. From this homepage, there are links available to the Business Tax Division, the Property Tax Division, the Appraisers Certification Program and other business-related offices.

1. www.state.sd.us/sdrec - SD Real Estate Commission. All forms, agency agreements, license applications, change of address/association, and home inspection information are posted on the website. Licensees can also check their education hours by logging in to the "Licensees Only" section.

Salesperson and Broker Job Analysis Survey

The SDREC Office received the following invitation from PSI Services, LLC. Any input is greatly appreciated!

Dear Real Estate Professional:

PSI Services, LLC requests your participation in an important study of licensed real estate salespersons and brokers. The primary objective of the study is to update the specifications for the real estate licensing examinations, and to ensure that they reflect what entry-level salespersons and brokers need to know in order to safely serve the public. To accomplish this objective, we need to obtain an accurate description of a real estate licensee's responsibilities.

This job analysis survey was developed by PSI Services, LLC with assistance from an advisory committee of experienced real estate professionals from around the country. The survey will be administered to real estate regulators, educators and licensees (salespersons and brokers) who are interested in the quality of real estate licensing education. The survey should take approximately 20 to 60 minutes to complete.

In consideration of your time as a participant, there will be a drawing among all respondents to win 1 of 3 Visa gift cards, each carrying a value of \$300.

Thank you in advance for your participation. Your prompt attention is appreciated.

Below is a link to the electronic version of the survey. You are being asked to:

1. Type the following web address into your web browser to access the survey:

<http://www.surveymk.com/psirealestate>

2. Read the survey instructions and complete the survey.

Please complete the survey by January 7, 2008.

Should you have any questions regarding this request, please e-mail PSI at JAS@psionline.com. Thank you for your cooperation and participation.

Sincerely,
PSI Services, LLC



**The SD Real Estate
Commission Office will
be closed on the
following days:**

New Year's Day - Tuesday,
January 1

Martin Luther King, Jr. Day –
Monday, January 21

APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 East Capitol, Pierre, SD 57501, 605-773-4608

Appraiser Certification Program Mission – Purpose – Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Department of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in public forum. See the website for meeting information. www.state.sd.us/appraisers

Appraiser Sentenced on Theft by Deception Charge

A long time Butte County resident was sentenced December 10, 2007 to one year in jail on one count of theft by deception.

Fifty-three-year-old Thomas L. Costello III of Belle Fourche was sentenced by Circuit Court Judge John W. Bastian to one year in jail on the misdemeanor charge. Costello's jail sentence was suspended on the conditions that he pay \$15,268 in restitution to former clients and the State, serve two years unsupervised probation, pay court costs of \$53, and not act as a realtor or appraiser without first obtaining the proper licenses. His request for a suspended imposition of sentence was denied.

The charge against Costello stemmed from an incident in 2005 when he misrepresented himself and his credentials when performing an appraisal for a client. He was originally charged with a Class 6 felony but pleaded guilty to the Class 1 misdemeanor as part of a plea agreement.

The case was investigated by the Appraiser Certification Program and the South Dakota Department of Revenue and Regulation's Investigative Services Bureau, and was prosecuted by special assistant attorney general James Waggoner.

For more information: Andy Fergel, Chief Legal Counsel, Department of Revenue and Regulation, 605.773.3311

USPAP Q & A

Vol. 9, No. 10, October 2007

Client Altering the Report (follow-up)

Question: The September 2007 USPAP Q&A titled "Client Altering the Report," included the following statement in its response:

Once an appraisal report is delivered to a client, a client may do a variety of things, including redacting or removing the appraiser's signature, or converting data from the report into a format more functional to the client, etc.

I am confused by the phrase "a client may do a variety of things..." Is the Appraisal Standards Board (ASB) suggesting these actions by clients are permissible?

Are Instant Messages or Text Messages Appraisal Reports?

Question: I perform appraisal assignments for a client who asks to be notified of my final value conclusion via instant message or text message. Is this communication to the client an appraisal report that must comply with USPAP?

Checking "Stable" vs. "Declining"

Question: When performing residential appraisal assignments I use "standard" preprinted appraisal software forms. The forms ask me to identify whether neighborhood property values are "increasing," "stable," or "declining." I have been told that lenders won't accept appraisal reports where "declining" is checked (even when this is an accurate analysis), so I usually check "stable" to accommodate the underwriting process. Is this a violation of USPAP?

Is Compliance with STANDARD 3 Required when Submitting a Complaint?

Question: I am a real property appraiser. I want to submit a complaint regarding an appraisal report to my state appraiser regulatory agency. I would like to express my opinions and comments about the quality of the appraisal report in a cover letter. Am I obligated to comply with STANDARD 3 regarding my opinions and comments

Deadline Fast Approaching for Upgrades

December 31, 2007 is the deadline for submitting an upgrade application for state-licensed, state-certified residential or state-certified general appraiser under the current education requirements. Please contact the Appraiser Certification Program office to obtain information for upgrade to a higher appraiser classification.

regarding the appraisal? If so, who is my client?

Vol. 9, No. 11, November 2007

Intentionally “Deflating” Opinions of Value

Question: Most appraisers know that “inflating” values is unethical, but some appraisers think that “deflating” values is acceptable, particularly in light of difficult market conditions. I think that both actions are unethical. Am I correct?

When does Appraiser-Client Confidentiality End?

Question: I performed an appraisal assignment for a lender client who has subsequently gone out of business. Now the borrower is requesting a copy of the appraisal from me since the company is defunct and there is no way to contact them. Does my obligation for appraiser-client confidentiality end since the client no longer exists?

Readdress or Transfer

Question: Is it acceptable to readdress or transfer a completed appraisal report?

Answers to the above questions can be found at: www.appraisalfoundation.org.

[For more info, contact The Appraisal Foundation at: www.appraisalfoundation.org]

Review of Cases – 01/01/07 - 11/13/2007

For the period January 1, 2007 through November 13, 2007 the Department has received 17 upgrade applications, 3 new applications claiming experience and initiated 9 complaint investigations.

Upgrades – 6 pending, and 11 issued
New Application Claiming
Experiences – 1 denied and 2 issued

Complaints – 1 pending hearing, 3 pending investigation, 5 closed

New Licensees – October/November

Paige M.H. Mattson, State-Certified
Residential – Bloomington, MN

Scott C. Gardner, State-Certified
General – Harrisonville, MO

Evelyn Regnier, State-Certified
General – Porter, MN

Joshua A. Smith, State-Licensed –
Pomona, CA

Geoffrey S. Oliver, State-Certified
General – Rapid City, SD

J. Scott Heimes, State-Certified
General – Sioux Falls, SD

Alex J. Hoenig, State-Certified
General – Westwood, KS

William Reese Clarkson, State-
Registered – Buffalo, SD

Loretta J. Asbenson, State-Registered
– Mitchell, SD

Revisions to USPAP and Advisory Opinions

The 2008-2009 edition of USPAP is the result of two exposure drafts, issued on December 15, 2006 and March 5, 2007. Based on written responses, the public testimony at Appraisal Standards Board (ASB) public meetings, and extensive deliberation by the Board, the ASB adopted the 2008-2009 USPAP on June 8, 2007. The adopted changes are incorporated in the 2008-2009 USPAP and associated guidance effective 1/1/2008 through 12/31/2009.

Key Changes in USPAP and Advisory Opinions

DEFINITIONS: The definition of Supplemental Standards was deleted.

- The majority of appraisers, users of appraisal services, and enforcement officials recognize that Supplemental Standards include laws and regulations. Appraisers must comply with laws and regulations because of the nature of law itself, not because of USPAP. Thus, continued use of Supplemental Standards as a defined term was unnecessary.

- Descriptions of “laws” and “regulations” are provided in the SCOPE OF WORK RULE based on their respective Black’s Law Dictionary definitions.

- The deletion of the definition removes specific recognition of Government Sponsored Enterprises (GSE) as a source of assignment conditions because they provide guidelines, which are not laws or regulations. However, the edits do not change 1) the necessity for an appraiser acting in compliance with USPAP to follow GSE guidelines where applicable; and, 2) the enforcement of USPAP, including those items necessary for competent performance and meaningful reporting.

- **DEFINITIONS:** The definition of Advocacy was deleted.

- Edits to the Conduct Section of the ETHICS RULE rendered the definition

unnecessary because the term is used with its common English meaning.

ETHICS RULE: Edits were made to the Conduct section of the ETHICS RULE related to advocacy.

- The edits make clear that advocating the cause or interest of any party or issue contradicts the requirement for independence. The changes do not diminish the prohibition against advocacy in appraisal practice; advocacy remains unacceptable.

SUPPLEMENTAL STANDARDS RULE: The SUPPLEMENTAL STANDARDS RULE was deleted because the other requirements of USPAP eliminate the need for the Rule.

- The duty for the appraiser to comply with applicable assignment conditions is embedded in the obligations to provide ethical and competent services. The SCOPE OF WORK RULE requires appraisers to identify the problem to be solved, which includes identification of assignment conditions. In communicating assignment results, the requirement that reports be meaningful and not misleading creates an obligation to comply with applicable laws, regulations and guidelines.

Associated Changes to the SCOPE OF WORK RULE, the Conduct section of the ETHICS RULE and the COMPETENCY RULE:

- The SCOPE OF WORK RULE has been edited to replace the term “Supplemental Standards” with “laws and regulations.” This change highlights and focuses the SCOPE OF WORK RULE on assignment conditions that have legal force.

- The SCOPE OF WORK RULE states that it is the appraiser’s responsibility to identify the problem to be solved. Therefore, the Conduct section of the ETHICS RULE was modified to remove text that identifies the need for an agreement between the client and appraiser when accepting an assignment when supplemental standards apply.

- Text was added to the COMPETENCY RULE to acknowledge that appraisers must recognize and comply with laws and regulations that apply in an assignment. Laws and regulations may apply to the actions of the appraiser, or may apply to how an appraisal must be completed.

With these changes, USPAP continues to require adherence to those assignment conditions that are necessary for proper development and reporting.

Standards Rule 2-3, Standards Rule 3-3, Standards Rule 5-3, Standards Rule 6-9, Standards Rule 8-3, and Standards Rule 10-3: Edits were made to remove the requirements that the signing appraiser have a reasonable basis to believe that work done by others was credible. Language was added clarifying that the signing appraiser(s) must not rely on the work of others if that appraiser has a reason to doubt that the work is credible.

Standards Rules 7-3(a), 8-2(a)(ix), 6-3(b), and 6-8(n): Edits were made to the personal property appraisal requirements to identify and report the highest and best use:

- The edits do not change the substance of the requirements, but better align the language with terminology more commonly used in personal property appraisal.

Standards Rule 1-6(b), Standards Rule 6-7(a), Standards Rule 7-6(b), and Standards Rule 9-5(b): Edits were made to the requirements for reconciliation of the approaches used to arrive at the value in each Standards Rule. The Comment to Standards Rule 1-6 and the Comment to Standards Rule 7-6 were deleted.

- The edits were made for clarity and consistency.

Standards Rules 2-2(a)(vi), 2-2(b)(vi), & 2-2(c)(vi), Standards Rule 6-8(g), and

Standards Rules 8-2(a)(vi), 8-2(b)(vi), & 8-2(c)(vi): The phrase “property use conditions” was shortened to “property.” The portion of the Comment to each Standards Rule requiring reiteration of the report date and effective date of the appraisal was deleted.

- The edits were made for clarity and consistency.

- **STATEMENT 10 (Retired):** The Statement titled *Assignments for Use in Federally Insured Depository Institution in a Federally Related Transaction* was retired. Some of the issues addressed in STATEMENT 10 have been incorporated into the new Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

- The Statement did not distinguish between laws (such as FIRREA), regulations and guidelines (such as the Interagency Appraisal and Evaluation Guidelines) resulting in confusion for both appraiser and users of appraisal services.

- The format and complexity of STATEMENT 10 were obstacles to its understanding and effective enforcement.

- Substantial editing of STATEMENT 10 would not have resulted in increased understanding.

ADVISORY OPINION 30 (New): *Appraisals for Use by a Federally Regulated Financial Institution* replaces the advice from retired STATEMENT 10 and addresses adherence to the applicable laws, regulations and guidelines of the federal financial institution regulatory agencies required for proper appraisal development and reporting.

ADVISORY OPINION 5 (Retired): *Assistance in the Preparation of an Appraisal* was retired because of the need to update and expand its guidance. The new Advisory Opinion 31, *Assignments Involving More than One Appraiser* meets those needs.

ADVISORY OPINION 31 (New): *Assignments Involving More than One Appraiser* offers advice on record keeping, signature and certification requirements in assignments that involve more than one appraiser.

ADVISORY OPINION 32 (New): *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments* illustrates the application of USPAP in assignments performed by appraisers for ad valorem taxation.

Note: Administrative edits also were made to USPAP and all guidance material, including the *USPAP Advisory Opinions* and *USPAP Frequently Asked Questions*, for conformity and consistency.